

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6034

BILL NUMBER: SB 22

NOTE PREPARED: Jan 16, 2004

BILL AMENDED: Jan 15, 2004

SUBJECT: Confined Feeding Operations.

FIRST AUTHOR: Sen. Jackman

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill establishes application fees to be remitted to the Department of Environmental Management for general and individual National Pollutant Discharge Elimination System (NPDES) permits. The bill also Provides that obtaining an NPDES permit for a concentrated animal feeding operation (CAFO) meets the approval requirements of IC 13-18-10-1 and 327 IAC 16.

Effective Date: Upon Passage.

Explanation of State Expenditures: This bill allows a person wishing to construct a confined animal feeding operation (CAFO) to apply for a National Pollutant Discharge Elimination System (NPDES) permit in order to satisfy the Department of Environmental Management's (Department) approval to start the construction. There should not be a significant difference in resources required between administering an NPDES permit program for some CAFOs relative to the existing state statutory confined feeding operation approval system and the proposal.

Explanation of State Revenues: The bill creates a \$100 fee for filing a notice of intent concerning a general NPDES permit regarding a CAFO with the Department. As of January 2003, the \$100 fee could apply to approximately 450 farms, which could potentially generate an estimated \$45,000 for the five-year permit. A \$250 fee is also created for filing an application concerning an individual NPDES permit as related to a CAFO. As of January 2003, an estimated 8 - 10 farms could apply for an initial permit per year, which could potentially generate an estimated \$800 - \$1,000 per year.

The total potential increase in revenue was estimated, as of January 2003, at \$46,000 for the first year with approximately \$1,000 for the subsequent four years. Revenue generated from these fees will be deposited

in the Environmental Management Permit Operation Fund. *The fiscal impact of this bill will be updated as more further information is provided.*

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Environmental Management.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Valerie Ruda, 317-232-9867.